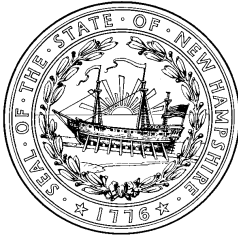


HEALTH SERVICES PLANNING AND REVIEW



January 15, 2009

9:30 a.m.

Board Meeting

Merrimack County Nursing Home
325 Daniel Webster Hwy
Boscawen, NH 03303

Meeting called by: Chair Nicholas Vailas **Note Taker:** HSPR Staff

Type of meeting: Certificate of Need - Board Meeting

Attendees: Ms. Erin Almeda, Mr. Robert Chase, Ms. Constance Jones, Dr. Matthew Sochalski, Mr. Jack Stanton, Mr. James Tollner, Chair Nicholas Vailas, Ms. Katherine Wells Wheeler and Mr. Scott Wojtkiewicz

Excused: Ms. Ruth Griffin

Staff Members: Ms. Cindy Carrier, Ms. Angel McFetridge and Mr. Jeffery Peck

Chair Vailas opened the meeting at 9:40 a.m.

1. Consent Agenda

- **Approve December 18, 2008 Board Meeting Minutes**

Discussion: Chair Vailas asked Ms. Carrier to conduct a general swearing-in of audience members planning to testify. Chair Vailas then asked Mr. Peck to introduce this agenda item. Mr. Peck briefly stated that the minutes from the December 18, 2008 meeting needed to be approved. Chair Vailas then asked Board members if the consent agenda item required any further discussion. If so, it would require removal from the consent agenda.

Ms. Almeda then made a motion to accept the consent agenda. Ms. Wheeler seconded the motion, and the consent agenda was unanimously approved by all of the Board members.

2. Approve Final Proposal He-Hea 2000 PET Services Rule

Discussion: Chair Vailas asked Mr. Peck to introduce this agenda item. Mr. Peck then stated that time has been allotted for the Board to approve the Final Proposal of the He-Hea 2000 PET Services Rule. He stated that there was no testimony received on this rule at the December public hearing and no other testimony was received during the review period; however, JLCAR has not

provided any results of its review of the rule. He stated that, barring any JLCAR requirements, the rule requires a vote of approval in order to proceed with the rule making process.

Ms. Wheeler asked if the lack of a JLCAR response was a positive sign. Ms. Carrier then briefly explained the JLCAR process for the Board.

Chair Vailas entertained a motion made by Ms. Wheeler to approve the final proposal of the He-Hea 2000 PET services rule. Ms. Almeda seconded the motion and all of the remaining Board members voted in favor of the motion, unanimously approving this agenda item.

3. Public Hearing – He-Hea 1000 Acute Care Services Rule

Discussion: Chair Vailas opened the public hearing for the He-Hea 1000 Acute Care services rule at 9:46 am.

There was no public testimony for the public hearing. Chair Vailas closed the public hearing at approximately 9:47 a.m. Ms. Carrier then stated that per rulemaking requirements, 7 days would be allowed for testimony to be received. Ms. Almeda stated that she would like the rule approved and active for the 8/1/09 RFA and thanked everyone who participated in the subcommittee meetings.

4. LTC Subcommittee Interim Report and Recommendations

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. She stated that the Long Term Care Subcommittee of the Board presents its Interim Report and Recommendations for Board consideration. She added that these recommendations require legislative changes that the subcommittee believes will better serve the needs of NH citizens requiring long term care services, as well as improve opportunities for long term care owners and providers. She explained that time has been allotted to discuss this report, and the steps necessary to promulgate such changes with the NH Legislature. Ms. Carrier then stated that HB113, a bill to extend the nursing home moratorium, was scheduled for a hearing today at the LOB and that this bill could provide the opportunity to include these recommendations.

Ms. Wheeler then reviewed the report for the Board. She went over the recommendations. She stated that there was no consensus about lifting the moratorium but that the group agreed to a better need formula, consensus on that topic was not reached. She stated that other recommendations made by the subcommittee are to allow repair and refurbishment without life safety violations and to prohibit on any costs of such projects over the correct threshold from obtaining Medicaid reimbursement. She added that HB113 just extended the moratorium and let the Board know about the January 21st hearing on HB 234 - Study Committee on the CON Process, the expedited approval, etc. Ms. Wheeler stated that the Legislature may send HB113 to a study committee, and there would hopefully be an opportunity for the Board to present its position at these meetings. She then thanked the members of the subcommittee for their work.

Mr. James Tollner arrived to the meeting at approximately 9:53 a.m.

Ms. Almeda then asked how the bed need formula was set. Mr. Michael Lehrman of the NH Catholic Charities was recognized and came forward to explain the formula for the Board. He stated that the data was obtained from the state MDS office and that 69.9% of nursing home

residents are over age 80 and 18% are over the age of 70 but under 80. He added that Rockingham County is at 85% occupancy. Chair Vailas asked if there were statistics for people who have been turned down, and also why a bed need formula is used to determine need. Mr. Lehrman replied that payment systems require homes to run on very thin margins and that a free enterprise system is not in play with this industry due to a controlled revenue stream. Chair Vailas then asked if there are any statistics on people who have not received access to long term care services. Mr. Lehrman replied that he wasn't aware of any major problems, and that the highest occupancy rate is 95%, which is Grafton County. He then stated that the state average is 91%. Mr. Chase stated that people are not being served for reasons other than lack of beds and that NH provides higher funding for certain cases if a patient needs to go out of state for specific services. Chair Vailas expressed his support for allowing renovations but stated that he was uncomfortable with using formulas to determine need for healthcare.

At this time, Ms. Wheeler made a motion to allow the Board to adopt the concept of modifying the statute for allowing renovations and replacement. Mr. Wojtkiewicz seconded the motion and all Board members voted in favor.

Ms. Wheeler stated that she was prepared to go to the hearing on January 21, 2009 to present this to the committee. She stated that the committee is meeting on Wednesday, January 21, 2009 at the LOB in room 205. Mr. Chase and Mr. Wojtkiewicz stated that they might attend as well.

5. Presentation – NH Charitable Trusts and Community Benefit

Discussion: At this time, Chair Vailas welcomed Ms. Terry Knowles, Assistant Director of Charitable Trusts of the Attorney General's office to come before the Board to make a presentation regarding NH Charitable Trusts and Community Benefits. Ms. Knowles began with a brief overview of the law and stated that the law goes beyond hospitals; it oversees all health care charities, all nursing homes, hospice groups, and VNA's. She stated that a community need assessment is done every 5 years. She went on to say that the Attorney General has no jurisdiction except to read the reports, make sure they are complete, etc. Chair Vailas asked if there were charity care percentage requirements from other states, and Ms. Knowles responded that Texas is 5% of gross revenues and that a few are tied to real estate tax benefits. Chair Vailas then commented his desire was too tie CON approval of projects to the level of community benefit. Ms. Wheeler asked if all of the reports are available electronically. Ms. Knowles replied that not all of them are but that she was working on scanning them but some are very lengthy. Ms. Almeda stated that Concord Hospital has gone out to senior centers, schools, etc to assess community benefit but it is hard to get people to attend such sessions. Ms. Knowles stated that the summary of the report is very useful and that Concord Hospital, Wentworth-Douglass Hospital and a couple of others do this as well. She then stated that the United Way often gets involved. Chair Vailas then stated that the Board could become more proactive in assuring that charity care is being provided and become more transparent in identifying this.

Ms. Knowles stated that SB426 from the last legislative session established a committee to study the community benefit for health care charitable trusts. She added that testimony from the Attorney General's office, hospitals and others was provided. Ms. Wheeler questioned if all of the reports will be the same with the new forms. Ms. Knowles said yes and stated that they could expand upon it, but all charities must fill out the form. Mr. Tollner stated that Concord Hospital and Wentworth-Douglass Hospital provide good summaries and asked if the Board could require all applicants to provide these, which the Board could use in its review. Ms. Knowles stated that 75% of hospitals now do "public friendly" brochures. Ms. Carrier stated that there is a section where

applicants have to identify degree to which providers serve the medically underserved population. She stated that the Board hasn't wanted to specify a specific percentage. Chair Vailas asked if the Board could see what happened to the report required by Senator Sgambati's bill. Ms. Carrier replied that she would work on it with Terry Knowles. Attorney Lucy Hodder was recognized from the audience and asked how often members of the public came in to review the reports. Ms. Knowles responded that about 10 citizens have come in and that most requests are from the media. Mr. Stephen Marion was recognized from the audience and suggested asking applicants to identify their needs and how they are being met. Ms. Knowles stated that section 3 of the new form is tied to community assessment. Mr. John Wallace of DHHS was recognized from the audience and stated that the Legislature needs to be more specific on what their expectations are. Chair Vailas suggested establishing a subcommittee to look at that section of the statute. Ms. Almeda suggested that the practice and procedure subcommittee look into this and possibly require a 3-page summary of the community benefit report. She stated that the Board should inform Senator Sgambati of what it is doing.

With no further discussion on this agenda item, Chair Vailas moved onto item number 6 at this time.

6. Other Administrative Business

- ❑ The Practice and Procedure Subcommittee meeting will take place directly following the Board meeting.
- ❑ The next meeting of the Board is scheduled for Thursday, February 19, 2009.

Mr. Chase then made a motion to adjourn the Board meeting. Ms. Almeda seconded the motion and all Board members voted in favor, unanimously approving this motion. Chair Vailas then adjourned the meeting at approximately 10:54 a.m.

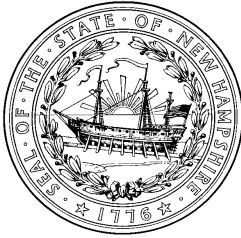
Signature:

Nicholas Vailas
Board Chair

Approved by
HSPR Board:

Date

HEALTH SERVICES PLANNING AND REVIEW



December 18, 2008

9:30 a.m.

Board Meeting

NH Lottery Commission

14 Integra Drive

Concord, NH 03301

Meeting called by:	Chair Nicholas Vailas	Note Taker: HSPR Staff
Type of meeting:	Certificate of Need - Board Meeting	
Attendees:	Ms. Erin Almeda, Mr. Robert Chase, Ms. Ruth Griffin, Mr. Jack Stanton, Chair Nicholas Vailas, and Ms. Katherine Wells Wheeler	
Excused:	Ms. Constance Jones, Mr. James Tollner and Mr. Scott Wojtkiewicz	
Absent:	Dr. Matthew Sochalski	
Staff Members:	Ms. Cindy Carrier, Ms. Angel McFetridge and Mr. Jeffery Peck	

Chair Vailas opened the meeting at 9:34 a.m.

1. Consent Agenda

- **Approve November 18, 2008 Board Meeting Minutes**
- **Approve Findings of Fact for LRGH Hillside Ambulatory Surgery Center ASC 08-02, Gilford, NH, \$2,794,127**

Discussion: Chair Vailas asked Ms. Carrier to conduct a general swearing-in of audience members planning to testify. He then asked Board members if the consent agenda items required any further discussion. If so, they would require removal from the consent agenda.

Mr. Chase then made a motion to accept the consent agenda. Ms. Almeda seconded the motion, and the consent agenda was unanimously approved by all of the Board members.

2. Determine Issuance for January 1, 2009 Mobile MRI Services RFA

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that the RFA for Mobile MRI services is due to be issued January 2, 2009. She stated that to date, no letters of interest have been received, or need expressed. Therefore, the staff recommends that no Mobile MRI RFA be issued effective January 2, 2009, until or unless any request for such is received by December 26, 2008 (allowing sufficient time for posting of the public notice). Ms.

Carrier added that this RFA isn't actually due to be issued until April 1, 2009 as the recent rule amendments created an annual RFA rather than a semi-annual RFA. Staff will proceed with re-visiting the RFA in the spring as required.

Chair Vailas entertained a motion made by Ms. Wheeler to not issue the RFA for Mobile MRI services based on lack of intent. Ms. Griffin seconded the motion and all of the remaining Board members voted in favor of the motion, unanimously approving this agenda item.

3. Public Hearing – He-Hea 2000 PET Rule

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. She stated that at this time, the Board would hear testimony in support of and opposition to the proposed PET rule, He-Hea 2000, which is being re-adopted and amended. She stated that upon completion of this public hearing, the rule will move to a hearing before the Joint Legislative Committee on Administrative Rules (JLCAR), sometime early next year. She then briefly reviewed for the Board the major amendments to the rule, including: protection for critical access hospitals; streamlining of data element reporting; annual data reporting; yearly RFA; and deletion of uncompensated care (already added to He-Hea 304).

There was no public testimony and no Board discussion for the public hearing. Chair Vailas closed the public hearing at approximately 9:39 am.

4. Report on CON Project Status

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. She stated that at the October 16, 2008 meeting, upon suggestion of the Board Chair, a letter was sent to recent CON recipients requesting information on their projects in light of the current national economic situation. Each CON applicant graciously responded and almost all applicants continue to move forward with their respective projects as presented in the CON applications as filed, and will inform the Board of any changes that could affect the scope of the project or the commencement/expiration dates. She stated that Monadnock Community Hospital was the only hospital to report that they may have potential changes for their project, and will inform the Board of any amendments or adjustments.

Chair Vailas thanked staff for the update and moved on to the next agenda item.

5. Other Administrative Business

- ☐ The Long Term Care Subcommittee meeting will take place directly following the Board meeting.
- ☐ Next meeting of the Board is scheduled for January 15, 2009 at the Merrimack County Nursing Home conference room.
- ☐ There was a LTC Bed Need Formula included in the Board packet.
- ☐ There has been an LSR filed to extend the Nursing Home Moratorium.
- ☐ An update on SB 541 was provided, stating that it has resulted in a formal study commission to review the CON process.

Ms. Wheeler stated briefly that her term is up and that she plans to stay on holdover until her replacement is named.

Ms. Wheeler then made a motion to adjourn the Board meeting. Ms. Almeda seconded the motion and all of the remaining Board members voted in favor of the motion, unanimously approving this agenda item. Chair Vailas then adjourned the meeting at approximately 9:45 a.m.

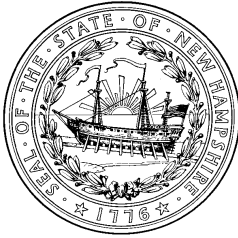
Signature:

Nicholas Vailas
Board Chair

Approved by
HSPR Board:

Date

HEALTH SERVICES PLANNING AND REVIEW



November 20, 2008

9:30 a.m.

Board Meeting

NH Lottery Commission

14 Integra Drive

Concord, NH 03301

Meeting called by:	Chair Nicholas Vailas	Note Taker: HSPR Staff
Type of meeting:	Certificate of Need - Board Meeting	
Attendees:	Ms. Erin Almeda, Mr. Robert Chase, Ms. Constance Jones, Mr. Jack Stanton, Mr. James Tollner, Chair Nicholas Vailas, Ms. Katherine Wells Wheeler and Mr. Scott Wojtkiewicz	
Absent:	Ms. Ruth Griffin and Dr. Matthew Sochalski	
Staff Members:	Ms. Cindy Carrier, Ms. Angel McFetridge and Mr. Jeffery Peck	

Chair Vailas opened the meeting at 9:34 a.m.

1. Consent Agenda

- **Approve October 16, 2008 Board Meeting Minutes**

Discussion: Chair Vailas asked Ms. Carrier to conduct a general swearing-in of audience members planning to testify. He then asked Board members if the consent agenda item required any further discussion. If so, it would require removal from the consent agenda.

Ms. Almeda then made a motion to accept the consent agenda. Mr. Wojtkiewicz seconded the motion, and the consent agenda was unanimously approved by all of the Board members.

2. Determine Issuance for December 1, 2008 Mobile PET Services RFA

Discussion: Chair Vailas asked Mr. Peck to introduce this agenda item. Mr. Peck gave a brief introduction and stated that based on the calendar year 2007 data, it would appear that the 3 existing vendors have ample capacity to handle increasing volumes at existing mobile PET sites and/or expand services to additional sites which currently do not provide mobile PET services. He added that no need has been expressed and no letters of intent have been received by staff for the issuance of an RFA. Mr. Peck stated that HSPR staff thus recommends that an RFA for mobile PET services not be issued at this time.

Chair Vailas entertained a motion made by Mr. Wojtkiewicz to not issue the RFA for Mobile PET services based on lack of intent. Ms. Almeda seconded the motion and all of the remaining Board members voted in favor of the motion, unanimously approving this agenda item.

3. Approve Initial Proposal – He-Hea 1000 Acute Care rule amendments

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. She stated that an Initial Proposal of rule amendments for the He-Hea 1000, Acute Care Services rule was enclosed for review. She stated that these changes are the result of work completed by the Acute Care Subcommittee of the Board, chaired by Member Almeda. She stated that Member Almeda had prepared an overview for the Board for discussion at this meeting.

Ms. Almeda then reviewed the changes to the rule stating that, Health Service Area's were updated, the Bed replacement calculation was updated, and the impact on existing facilities was updated and the rule now requires the calculation of net revenue per adjusted admission. She added that the need formula for new acute care beds was updated, the standards for construction of a new facility were repealed, and a new standard will be developed if/when needed. She also reviewed items to be considered by the Practice and Procedure subcommittee upon recommendation of the Acute Care Subcommittee.

Mr. Tollner made a motion to approve the initial proposal of He-Hea 1000 Acute Care rule amendments. Ms. Wheeler seconded the motion. All Board members voted in favor of the motion and this agenda item was unanimously approved.

4. Littleton Regional Hospital, Request for Exemption of Medical Office Building

Discussion: Chair Vailas welcomed Ms. Susan Palmer-Terry, Consultant for Littleton Regional Hospital, Mr. Warren West, CEO for Littleton Regional Hospital and Mr. George Broder, Owner's Representative for Littleton Regional Hospital to testify before the Board. Ms. Palmer-Terry reviewed the request for the Board and stated that the request falls under RSA 151-C:13, I(a) that exempts Medical Office Buildings from CON review. She stated that LRH is a newer facility built in 2001 and the existing MOB is attached to the hospital. A CON has been submitted to renovate that space for hospital use, which would displace the physician practices. Ms. Palmer-Terry stated that the new addition to the MOB would house physician offices only.

Ms. Almeda questioned whether physician offices would be hospital owned. Mr. Broder replied that the 2nd floor would be hospital practices and the 1st floor will be condominium units. Ms. Carrier reviewed the condition recommended by HSPR staff that the Board review any change in the use of the proposed space.

Ms. Almeda made a motion that the proposed MOB be exempt from CON review with the condition that any future change in the use of space be brought back before the Board. Mr. Chase seconded the motion. All Board members voted in favor of the motion and the motion was unanimously approved.

5. Lakes Region General Hospital, NSR Request of \$2,100,368.89

- **Replacement of Surgical Suite HVAC System, \$1,345,528.89**
- **Fit-up of Additional Operating Room, \$754,840**

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that the total combined cost of these two projects is \$2,100,368.89, which falls below the current statutory threshold of \$2,555,100. She added that, according to LRGH, a CMS inspection in January 2008 resulted in serious deficiencies of the HVAC system in the surgical suite, which must now be corrected before March 2009. She stated that because the installation of this system will run through the ceiling of an existing shelled operating room currently used for storage, LRGH has also chosen to fit up this space now for future use. Ms. Carrier stated that HSPR staff suggests that such petition may be better termed as a change of scope to AC 07-09, issued to LRGH in May 2008, and that the information submitted in the petitions does meet the requirements for a change of scope. She also added that the documentation as submitted *does not* meet the requirements of a Not Subject to Review request as information is missing.

Mr. Henry Lipman, CFO for LRGH, Ms. Ellen Wolff, VP of Patient Services for LRGH and Andrew Eills, Esq., Legal Counsel for LRGH came forward to provide testimony. Attorney Eills briefly stated that LRGH was in agreement with approving the request as a Change of Scope to AC 07-09 and that they were available to answer any questions the Board may have at this time.

At this time, Chair Vailas recognized a motion made by Mr. Chase to approve the Change of Scope to AC 07-09 in the amount of \$2,100,369 to cover the fit-up of the surgical suite and the replacement of the HVAC system. Ms. Almeda seconded the motion. All Board members voted in favor of the motion and the motion was unanimously approved.

6. Public Hearing, LRGH Hillside Ambulatory Surgery Center ASC 08-02, Gilford, NH, \$2,794,127

Discussion: Chair Vailas welcomed Mr. Henry Lipman, CFO for LRGH, Ms. Ellen Wolff, VP of Patient Services for LRGH and Andrew Eills, Esq. Legal Counsel for LRGH to provide testimony. Mr. Lipman started by introducing the project to the Board. Ms. Wolff then reviewed the floor plans and stated that LRGH needs to fit up the ASC space, including 2 additions to the ASC condos. She stated that utilization is now at 91% and they are adding a class C operating room and a Type B minor operating room of 235 square feet. Chair Vailas stated that he believes an OR must be at least 400 s.f. regardless of class because of sedation. Ms. Wolff stated that there would be no anesthesia, just IV sedation but she would check to be sure. She added that the minor procedure room would be used mostly for pain procedures. Ms. Wolff also stated that the cost of the project is approximately \$2.8 million and will be funded from LRGH's equity.

Ms. Wheeler asked if the possible increase needed in the OR space would require a larger addition. Ms. Wolff replied that they may need to acquire more space and that she'd check with the architect and also state licensing. Mr. Lipman stated that they could likely accommodate within the leeway provision of the CON which allows for an inflation factor and 15% to be applied to any approved CON amount.

There was no public testimony and Chair Vailas closed the public hearing at 10:30.

At this time, Chair Vailas heard a motion made by Ms. Almeda to approve ASC 08-02 for \$2,794,127, finding that all standards and criteria are met. Mr. Chase seconded the motion. Mr. Tollner asked for an amendment to the motion that LRGH provide additional information on the room size requirements. Ms. Almeda accepted the amendment with Mr. Chase seconding. The motion was unanimously approved by all of the Board members.

7. Other Administrative Business

- ☐ The P & P Subcommittee meeting will take place directly following the Board meeting.
- ☐ Next meeting of the Board is scheduled for December 18, 2008.
- ☐ There was a proposed 2009 Board meeting schedule for review included in the Board packet.
- ☐ An update on SB 541 was provided, stating that there will be legislation to create a formal study commission.
- ☐ The Nursing Home Moratorium expires on 6/30/09; HSPR staff is watching for legislation to extend the date.
- ☐ The Supreme Court decision on Elliot's Londonderry location was provided for Board review.
- ☐ A brief update on Estudio was provided; most of the documentation is now available electronically through Estudio.

Chair Vailas adjourned the meeting at approximately 10:35 a.m.

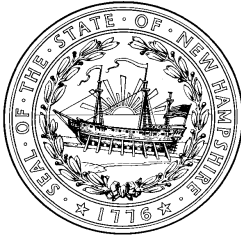
Signature:

Nicholas Vailas
Board Chair

Approved by
HSPR Board:

Date

HEALTH SERVICES PLANNING AND REVIEW



October 16, 2008

9:30 a.m.

Board Meeting

Department of Revenue
Community Services Division
Training Room
57 Regional Drive
Concord, NH 03301

Meeting called by:	Acting Chair Katherine Wells Wheeler	Note Taker: HSPR Staff
Type of meeting:	Certificate of Need - Board Meeting	
Attendees:	Ms. Erin Almeda, Ms. Constance Jones, Dr. Matthew Sochalski, Mr. Jack Stanton, Mr. James Tollner, Ms. Katherine Wells Wheeler and Mr. Scott Wojtkiewicz	
Excused:	Mr. Robert Chase, Ms. Ruth Griffin and Chair Nicholas Vailas	
Staff Members:	Ms. Cindy Carrier, Ms. Angel McFetridge and Mr. Jeffery Peck	

Acting Chair Wheeler opened the meeting at 9:36 a.m.

1. Consent Agenda

- **Approve September 11, 2008 Board Meeting Minutes**

Discussion: Acting Chair Wheeler asked Ms. Carrier to conduct a general swearing-in of audience members planning to testify. She then asked Board members if the consent agenda item required any further discussion. If so, it would require removal from the consent agenda.

Mr. Stanton then made a motion to accept the consent agenda. Mr. Wojtkiewicz seconded the motion, and the consent agenda was unanimously approved by all of the Board members.

2. Approve Initial Proposal, He-Hea 2000 PET Rule

Discussion: Acting Chair Wheeler asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that HSPR staff has produced an Initial Proposal of rule He-Hea 2000 PET services for readoption. She added that amendments to this rule include the addition of small hospital service area protection (He-Hea 2002.01 (f) and 2006.01 (r)), elimination of certain data reporting elements and the move from quarterly to yearly reporting of data (He-Hea 2006.03 (k) and (l) and 2003.01 (k) and (l)) the repeal of Uncompensated Care (He-Hea 2003.03 and He-Hea 2006.03) and the issuance of a yearly mobile PET RFA (He-Hea 2004.01).

With no Board discussion, Acting Chair Wheeler recognized a motion made by Dr. Sochalski to approve the initial proposal of the He-Hea 2000 PET rule. Ms. Almeda seconded the motion and all Board members voted in favor of the approval.

3. Portsmouth Regional Hospital, Petition for Change of Scope, AC 06-07 \$4,627,716 And NSR Request to Acquire Additional Fixed MRI Unit, \$1,900,000

Discussion: Acting Chair Wheeler asked Ms. Carrier to introduce this agenda item. She referred to the 2-part petition submitted by Portsmouth Regional Hospital ("PRH") stating that the first section requests a Change of Scope for its original hospital project to incorporate the development of an outpatient imaging center in leased space near the hospital campus. She added that according to PRH, this center was originally thought to be below the statutory threshold and was thus developed separately. Now, however, the rising costs of construction have caused PRH to reconsider this project. Ms. Carrier stated that HSPR staff concludes that such Change of Scope is eligible for approval with the condition that signed leases be provided upon execution.

Acting Chair Wheeler stated that the Board preferred to vote separately on the 2 parts of the petition. She then welcomed Attorney John Malmberg, Legal counsel for Portsmouth Regional Hospital, Mr. Bill Duffy, Vice President of Engineering, Mr. Dave McClung, CFO and Mr. Bob White, Director of Imaging for Portsmouth Regional Hospital to present testimony to the Board. Mr. Duffy then provided a background on the project and change of scope.

With no further discussion, Mr. Wojtkiewicz made a motion to approve the change of scope for Portsmouth Regional Hospital AC 06-07 to \$67,654,763 with the condition that copies of the lease agreements be provided when executed. Ms. Almeda seconded the motion. All Board members voted in favor of the motion, unanimously approving this part of the agenda item.

Ms. Carrier then introduced the second part of this petition stating that this section of the petition is a not subject to review (NSR) request to acquire a second fixed MRI unit and locate it at the outpatient imaging center. She stated that PRH is making such request under the "substantially similar" clause of RSA 151-C:5, II (d), which permits such equipment to be purchased. Ms. Carrier then stated that PRH has submitted documentation proving that the estimated operating cost as a result of adding the unit will not increase substantially. She added that HSPR staff concludes that PRH is eligible for an NSR for this proposal.

Dr. Sochalski asked the petitioner how long they have had the original unit. Mr. McClung replied that they have had the unit since the original CON was approved in 2001 and that they have supplemented with mobile services since 2003. Dr. Sochalski then asked how much the cost per procedure would increase. Mr. McClung answered that the cost would actually decrease.

Hearing no further discussion, Acting Chair Wheeler recognized a motion made by Ms. Almeda that the MRI equipment at Portsmouth Regional Hospital is Not Subject to Review since it is substantially similar and there would be no substantial increase in operating costs. Dr. Sochalski seconded the motion. All Board members voted in favor of the motion and this part of the agenda item was unanimously approved.

Mr. Tollner arrived at the meeting at 9:53 a.m.

4. Other Administrative Business

- ❑ The LTC Subcommittee meeting will take place directly following the Board meeting.
- ❑ Next meeting of the Board is scheduled for November 20, 2008.
- ❑ The next Practice and Procedure subcommittee will meet immediately following the November Board meeting.
- ❑ There was an article regarding Monadnock Community Hospital's project (AC 06-06) included with the Board packet. The Board Chair suggested sending a letter to CON holders to provide status on their projects in light of the current economic situation. The Board reviewed a draft letter and agreed to have it sent to the respective CON holders.
- ❑ A discussion on Estudio took place where Board members provided their feedback and their desire for electronic or hardcopies in the future.
- ❑ Acting Chair Wheeler requested that the staff send a letter to Ms. Lauren Lebrun thanking her for her service as staff to the Board.

Acting Chair Wheeler adjourned the meeting at approximately 10:01 a.m.

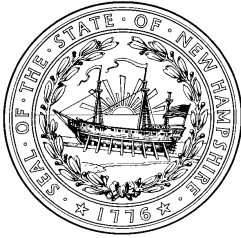
Signature:

Katherine Wells-Wheeler
Acting Board Chair

Approved by
HSPR Board:

Date

HEALTH SERVICES PLANNING AND REVIEW



September 11, 2008

9:30 a.m.

Board Meeting

Department of Revenue
Community Services Division
Training Room
57 Regional Drive
Concord, NH 03301

Meeting called by:	Chair Nicholas Vailas	Note Taker: HSPR Staff
Type of meeting:	Certificate of Need - Board Meeting	
Attendees:	Ms. Erin Almeda, Mr. Robert Chase, Ms. Ruth Griffin, Ms. Constance Jones, Dr. Matthew Sochalski, Mr. Jack Stanton, Mr. Nicholas Vailas, Ms. Katherine Wells Wheeler and Mr. Scott Wojtkiewicz	
Absent:	Mr. James Tollner	
Staff Members:	Ms. Cindy Carrier, Ms. Lauren Lebrun and Ms. Angel McFetridge	

Chair Vailas opened the meeting at 9:32 a.m.

1. Consent Agenda

- Approve July 24, 2008 Board Meeting Minutes
- Findings of Fact – RiverWoods Company of Exeter, NH, CCRC 08-01, \$3,752,000
- Findings of Fact – Region 3 Reconsideration via Joint Proposal:
 - Golden View Health Care Center, LTC 07-01, \$4,899,466
 - Laconia Genesis Health Care, LTC 07-03, \$2,975,000
- Dr. O'Connell's PainCare Centers, Inc. – NSR Request for Facility Renovations for Outpatient Services, Merrimack, NH - \$621,200
- Speare Memorial Hospital – NSR Request for Construction and Renovation for Physician Office Services, Plymouth, NH - \$9,116,876

Discussion: Chair Vailas asked Ms. Carrier to conduct a general swearing-in of audience members planning to testify. He then asked Board members if any consent agenda items required any further discussion. If so, it would require removal from the consent agenda. Ms. Lebrun gave a brief introduction of the consent agenda to the Board.

Dr. Sochalski then made a motion to accept the consent agenda. Ms. Almeda seconded the motion, and the consent agenda was unanimously approved by all of the Board members.

2. St. Joseph Hospital – NSR Request for Physician/Medical Office Building in Hudson, NH - \$2,380,209

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. She stated that St. Joseph Hospital is seeking to develop a physician/medical office building in Hudson, NH. The hospital portion of the project (29%) results in a cost of \$2,380,209, which falls below the statutory threshold of \$2,555,100. The remainder of the project (71%) is slated for physician offices. Because the cost of the hospital space is below the threshold, and the services (physical therapy, phlebotomy and general radiology) will be considered outpatient, HSPR staff has determined that this proposal is eligible for an NSR determination under RSA 151-C:13, I. She stated that since the cost is more than 75% of the threshold, however, SJH is willing to accept conditions that it provide a copy of the Guaranteed Maximum Price construction contract as soon as it is finalized, along with a comparison of costs to Marshall and Swift and certification of the total project cost estimate by the contractor. Ms. Carrier stated that HSPR staff concludes that the project could be eligible for an NSR determination with the condition that SJH supply a copy of these items prior to project commencement to confirm that the cost is reasonable compared to industry benchmarks and will not exceed the statutory threshold.

There was no public testimony and no Board discussion. Ms. Wheeler made a motion to approve the NSR request from St. Joseph Hospital for physician/medical office building in Hudson, NH with the condition that St. Joseph Hospital provide a copy of the Guaranteed Maximum Price construction contract along with a comparison of costs to Marshall and Swift and certification of the total project cost estimate by the contractor. Mr. Wojtkiewicz seconded the motion. The remaining Board members voted in favor and this agenda item was unanimously approved.

3. Orthopaedic Surgery Center, LLC – NSR Request for Proposed ASC Expansion, Concord, NH - \$1,518,346

Ms. Almeda recused herself from this agenda item.

Discussion: Chair Vailas asked Ms. Lebrun to introduce this agenda item. She stated that Orthopaedic Surgery Center, LLC ("OSC") of Concord, NH submitted an NSR request for expansion of its Ambulatory Surgery Center. She stated that because the cost of the proposed project is below the statutory threshold, and the services will be considered outpatient, HSPR staff has determined that this proposal is eligible for an NSR determination under RSA 151-C:13, I. However, HSPR staff recommends that the Board attach a condition that OSC provide a copy of the signed construction contract prior to project commencement to comply with He-Hea 301.01(b)(2)(n).

Hearing no further discussion, Chair Vailas accepted a motion from Mr. Chase to approve the NSR request made by Orthopaedic Surgery Center, LLC for a proposed ASC expansion with the condition to provide a copy of the signed construction contract prior to project commencement. Mr. Wojtkiewicz seconded the motion. This agenda item was unanimously approved by the remaining Board members.

Ms. Almeda rejoined the meeting at this time.

4. New Hampshire Imaging Services – Approve Weeks Medical Center, Lancaster, NH for Mobile PET Site, CON PET 01-08

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. She stated that New Hampshire Imaging Services (“NHIS”) is planning to establish mobile PET services at Weeks Medical Center in Lancaster, NH, under the auspices of Mary Hitchcock Memorial Hospital (“MHMH”). She stated that in accordance with its 2001 CON conditions, NHIS is required to submit all pertinent documentation to enable Weeks Medical Center to become a receiving site for Mobile PET services. The required documentation has been submitted with the exception of an amendment to MHMH’s RAM license from the Bureau of Radiological Health (“BRH”) that would include Weeks Medical Center as an authorized site. Ms. Carrier stated that the clinical credentials for Dr. Marc Selzer, one of the two physicians providing clinical oversight for the service was provided to the Board today. NHIS states that it would accept a condition to require it to submit the amendment to the RAM license before initiating service. Since the documentation is otherwise in order, HSPR staff would request that the Board determine that NHIS is eligible to add Weeks Medical Center (under the auspices of MHMH) as a site for mobile PET services, with the condition that NHIS submit the amendment to MHMH’s RAM license before initiating service.

With no Board discussion, Chair Vailas recognized a vote made by Ms. Almeda to approve Weeks Medical Center in Lancaster, NH for a mobile PET site provided that they submit the amendment to MHMH’s RAM license before initiating service. Ms. Griffin seconded the motion and the remaining Board members voted in favor and this agenda item was unanimously approved.

5. Determine Issuance – October 1, 2008 ASC RFA

Discussion: Chair Vailas asked Ms. Lebrun to introduce this agenda item. She stated that in order to support a finding of need for this RFA (Request for Applications), HSPR staff mailed a notice to all hospital and ASC administrators requesting a Letter of Intent for any contemplated ambulatory surgery center projects exceeding the statutory threshold. In addition, a message was sent to the electronic notice list regarding this RFA. She stated that since to date, no letters of interest have been received, nor any need expressed. Therefore, HSPR staff recommends that no RFA be issued effective October 1, 2008 until or unless any request is received by September 26, 2008 (allowing sufficient time for posting of the public notice).

Ms. Almeda made a motion to not issue the October 1, 2008 ASC RFA since no letters of intent have been received. Mr. Wojtkiewicz seconded the motion and this agenda item was unanimously approved by the remaining Board members.

6. Adopt Final Proposal He-Hea 600 MRI rule

Discussion: Chair Vailas asked Ms. Lebrun to introduce this agenda item. She stated that at it’s July 31, 2008 meeting, the Joint Legislative Committee on Administrative Rules (JLCAR) approved the final proposal of rule He-Hea 600 MRI, thereby allowing the Board to formally adopt the rule at this time. This rule will now be effective for 8 years.

With no further discussion, Mr. Wojtkiewicz made a motion to adopt the final proposal of the He-Hea 600 MRI rule. Mr. Chase seconded the motion and the remaining Board members voted in favor, unanimously approving this agenda item.

7. Adopt Final Proposal He-Hea 1900 ASC rule

Discussion: Chair Vailas asked Ms. Lebrun to introduce this agenda item. She stated that at it's July 17, 2008 meeting, the Joint Legislative Committee on Administrative Rules (JLCAR) approved the final proposal of rule He-Hea 1900 Ambulatory Surgery Center, thereby allowing the Board to formally adopt the rule at this time. This rule will now be effective for 8 years.

Mr. Chase made a motion to approve the final proposal of the He-Hea 1900 ASC rule. Ms. Almeda seconded the motion. The remaining Board members voted in favor of the adoption, therefore, unanimously approving this agenda item.

8. Approve Initial Proposal of He-Hea 2000 PET Scanners rule re-adoption

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. She explained that this agenda item was worded wrong and that it should state that the Board would initiate rulemaking to the He-Hea 2000 PET Scanners rule. She stated that this rule is slated to expire in December 1, 2008, and unless a subcommittee is needed to address rule content, the staff could develop an initial proposal of the rule for approval at the Board's 10/16/08 meeting.

Ms. Almeda asked if the Board voted to allow staff to develop an initial proposal of the rule would the Board be able to make changes down the road. Ms. Carrier stated that they could. Ms. Wheeler clarified with staff that the Board always has the opportunity to make changes.

Mr. Wojtkiewicz made a motion to allow the staff to develop an initial proposal for approval. Ms. Wheeler seconded the motion and the remaining Board members unanimously approved this agenda item.

9. Other Administrative Business

- ☐ Next meeting of the Board is scheduled for October 16, 2008. There are no items for the agenda as of yet.
- ☐ The LTC Subcommittee will meet immediately following the Board meeting.
- ☐ The cut off date for agenda submissions has been moved back 24 hours to Wednesdays at 4:00.
- ☐ The next Practice and Procedure subcommittee is scheduled for a meeting on October 6, 2008, at 57 Regional Drive.

Chair Vailas adjourned the meeting at approximately 10:10 a.m.

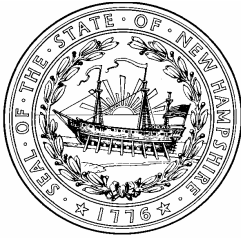
Signature:

Nicholas Vailas
HSPR Board Chair

Approved by
HSPR Board:

Date

HEALTH SERVICES PLANNING AND REVIEW



July 24, 2008

9:30 a.m.

Board Meeting

Department of Safety
Richard M. Flynn Fire Academy
Classrooms 5 and 6
222 Sheep Davis Road, Route 106
Concord, NH 03305

Meeting called by:	Chair Nicholas Vailas	Note Taker: HSPR Staff
Type of meeting:	Certificate of Need - Board Meeting	
Attendees:	Ms. Erin Almeda, Mr. Robert Chase, Dr. Matthew Sochalski, Mr. Jack Stanton, Mr. Nicholas Vailas, Ms. Katherine Wells Wheeler and Mr. Scott Wojtkiewicz	
Excused:	Ms. Ruth Griffin, Ms. Constance Jones, Ms. Beth Roberts (Term Expired)	
Staff Members:	Ms. Cindy Carrier, Ms. Lauren LeBrun, Ms. Angel McFetridge and Mr. Jeffery Peck	

Chair Vailas opened the meeting at 9:38 a.m.

1. Consent Agenda

- **Approve June 19, 2008 Board Meeting Minutes**
- **Country Village Center, Lancaster, NH – NSR Petition to Lease 4 Skilled Nursing Facility Beds from Androscoggin Valley Hospital, Berlin, NH**

Discussion: Chair Vailas asked Ms. Carrier to conduct a general swearing-in of audience members planning to testify. He then asked Board members if any consent agenda items required any further discussion. If so, it would require removal from the consent agenda.

Mr. Wojtkiewicz recused himself from voting on the consent agenda and Mr. Stanton had not arrived to the meeting; thus, there wasn't a quorum and the Board was unable to vote. This agenda item was postponed until there were enough voting Board members present later in the meeting.

2. Haven Health Center of Derry, NH – Ratify NSR Request for the Transfer of Ownership to CapitalSource Finance, Inc.

Discussion: Chair Vailas asked Ms. Carrier to introduce this agenda item. She informed the Board that the Haven Health Center of Derry, NH has been the subject of bankruptcy proceedings, which resulted in a transfer of ownership between it and CapitalSource Finance, Inc. She added that due to the emergent nature of the transaction, and to maintain operation of the facility, Haven's legal counsel contacted the HSPR office for an advance Not Subject to Review (NSR) determination. Ms. Carrier stated that Board Chair Vailas was consulted in this matter, and he provided approval on behalf of the Board that the project is not subject to CON review. However, in order to satisfy the public record on this transaction, she stated that the entire Board must ratify this decision.

Representing Haven Health Center of Derry was Attorney John Malmberg from Orr & Reno. Attorney Malmberg came forward to provide testimony at this time. He briefly stated that the petition is straightforward and that he was available to answer any questions the Board may have.

Hearing no further discussion, Chair Vailas recognized a motion from Ms. Wheeler to ratify the NSR request for the transfer of ownership to CapitalSource Finance, Inc. Ms. Almeda seconded the motion. All Board members voted in favor of the motion and the motion unanimously passed.

3. Determine Issuance - August 1, 2008 Acute Care RFA

Discussion: Mr. Peck introduced this agenda item. He stated that in order to support a finding of need for this RFA, HSPR staff mailed a notice to all hospital administrators requesting a Letter of Intent for any contemplated acute care projects exceeding the statutory threshold. A message was also sent to the electronic notice list regarding this RFA. He stated that to date, two letters have been received, one from Wentworth-Douglass Hospital of Dover, NH and one from Elliot Hospital in Manchester, NH. Mr. Peck closed by stating that the staff recommends the August 1, 2008 RFA for Acute Care be issued based on these letters of intent.

At this time, Ms. Almeda made a motion to issue the August 1, 2008 RFA for Acute Care projects. Mr. Wojtkiewicz seconded the motion and this agenda item was unanimously approved.

4. Parkland Medical Center, Derry, NH – NSR Request to Acquire Laparoscopic Surgical Equipment – da Vinci System, \$1,600,000

Discussion: At this time, Chair Vailas requested that the representatives from Parkland Medical Center come forward to provide testimony. Attorney John Malmberg, legal counsel for Parkland Medical Center and Ms. Maureen Smith, Vice President of Marketing for Parkland Medical Center came forward. Attorney Malmberg reminded the Board that they had approved a similar request for a daVinci System for Elliot Hospital at last month's Board meeting. Ms. Wheeler asked Attorney Malmberg why Parkland decided to purchase rather than lease the system. Attorney Malmberg stated that Elliot had negotiated a capital lease, and stated that Parkland doesn't anticipate the technology changing so an acquisition made sense.

Ms. Almeda made a motion to grant an NSR determination to Parkland Medical center for the purchase of the da Vinci system for \$1,600,000 as it is substantially similar, under RSA 151-C:5,

II(d) to equipment owned and operated by Parkland Medical Center. Dr. Sochalski seconded the motion and it passed unanimously.

5. Public Hearing – RiverWoods Company of Exeter, NH, CCRC 08-01, \$3,752,000

Discussion: Chair Vailas asked Mr. Peck to introduce this agenda item. Mr. Peck stated that The RiverWoods Company of Exeter, NH would be presenting its application for a Continuing Care Retirement Community (CCRC) to be known as The Boulders, which will be located adjacent to the existing RiverWoods campus in Exeter, NH. He stated that only the nursing home portion of the project is subject to CON review. Mr. Peck stated that all checklist items have been resolved and staff's analysis concludes that the proposal is eligible for a CON with condition at this time.

At this time, Ms. Dawn Barker, VP of Human Resources and Mark Hepp, Project Manager for Riverwoods came forward to present their project. Mr. Hepp provided a handout containing a power point presentation for the Board. Ms. Barker described the CCRC and how it operates. She stated that it opened in 1994 and the Ridge was constructed in 2004. She referred the Board to the handout as she described the facility. She stated that they would be using the same team of developers that they used for the Ridge. Ms. Barker went on to say that an increase in financial strength would decrease fees; there would be 3 communities operating as one entity with the same balance sheet.

Ms. Almeda asked why the project has a higher margin than the combined facility. Ms. Barker replied that they had used conservative assumptions such as interest rates, fees, construction costs and time to reach fill up (3 years). Ms. Almeda stated that if the assumptions didn't play out the margin would be higher. Ms. Barker stated that the operating expenses would be shared, there would be no duplication in salaries for upper management (CEO, CFO, etc) and there would be other economies of scale. Ms. Wheeler questioned whether there was a separate nursing home unit for each community. Ms. Barker replied that there was. Ms. Wheeler then asked how many beds would be in the facility. Ms. Barker replied that there would be 16 skilled beds at Boulders. Ms. Wheeler asked what the current occupancy was and Ms. Barker answered that there was usually 1-2 beds open at a time. Mr. Wojtkiewicz asked what the payment source for CCRC's was and how much the entrance fee and monthly payment was. Ms. Barker replied that for the Boulder's facility the entrance fee is \$350,000 – \$750,000 and the monthly fee is 10% of the entrance fee and that it never increases. Ms. Barker went on to say that the price includes 25 – 30 meals, maintenance, utilities and lawn mowing. She stated that 98% of residents were private pay and about 2% were Medicare. She also stated that the entrance fee is 98% refundable to the estate of the resident. Ms. Wheeler asked what would happen when a resident runs out of money. Ms. Barker replied that the Benevolent Fund would cover them for the rest of their life and added that there are currently 3 residents using this method.

Chair Vailas asked if there were any members of the audience that wanted to testify regarding this project. Representative Neal Kurk, State Representative for District 7 came forward at this time. He stated that there is a moratorium on nursing beds and its purpose was and has been to facilitate a plan to shift people to the community for aging. Representative Kurk suggested a condition be added to this CON and to the next agenda item as well that the beds not be used by Medicaid patients but only by Medicare or private pay patients.

Hearing no other testimony, Chair Vailas then closed the public hearing. Mr. Wojtkiewicz made a motion to grant the CON for the nursing home component of the proposed RiverWoods of Exeter, NH, CCRC 08-01, for \$3,752,000 with a condition that the applicant agrees to the components of

He-Hea 909.02 (a) and (b) relative to the limitations on admissions to the nursing home component of the CCRC for residents and spouses. Mr. Chase seconded the motion and this agenda item was unanimously approved by the Board.

Mr. Jack Stanton arrived at this time and Chair Vailas called for a 10-minute recess.

When the meeting was brought back to order Chair Vailas returned to agenda item # 1, the Consent Agenda, as the Board was now able to vote with Mr. Stanton present. Mr. Wojtkiewicz recused himself from the vote. Ms. Wheeler motioned to accept the consent agenda and Mr. Stanton seconded the motion. All Board members voted in favor of the motion, therefore unanimously approving the consent agenda.

6. Public Hearing – Region 3 Reconsideration via Joint Proposal:

- **Golden View Health Care Center, LTC 07-01, \$4,899,466**
- **Laconia Genesis Health Care, LTC 07-03, \$2,975,000**

Discussion: Mr. Wojtkiewicz recused himself from this agenda item. Chair Vailas asked Ms. Carrier to introduce this item. Ms. Carrier stated that at this time, Golden View and Laconia Genesis would present their Joint Proposal for Reconsideration of the 33 long-term care beds for Region 3. She reminded the Board that it originally awarded a CON to Golden View for the 33 beds, at a total cost of \$933,967, and Laconia Genesis requested and was awarded reconsideration on the decision. She added that during the interim, the two parties devised a Joint Proposal that allocates 21 beds to Golden View and 12 beds to Laconia Genesis. Ms. Carrier then stated that this is the subject of the public hearing and outlined the layout for the hearing. She stated that pursuant to the Pre-Hearing Order the applicants would have a collective 90 minutes to make a presentation to the Board and that this time does not include any questions by the Board, or any public testimony that may be heard. She stated that the HSPR Staff Analysis and Checklists of outstanding items were provided for the Board's review and consideration and that staff also prepared an Executive Summary on this matter to aid the Board's decision. Ms. Carrier read the questions from the Executive Summary into the record:

- Does the new information supplied by the Joint Submission cause the original CON approval to Golden View to be rendered obsolete or inadequate?
- Does the location of the beds between Meredith and Laconia create a valid argument for allocation (and thus refute the definition of Region 3)?
- Does the capital expenditure of \$7,874,466 for the re-allocation of beds justify the claimed benefits, i.e., what is the acceptable cost of collaboration?
- Does the capital expenditure of \$7,874,466 for the re-allocation of beds between Golden View and Genesis Laconia meet the tenets of RSA 151-C:1, I, II, and III?
- Does the Board find failure with one or both projects of the Joint Proposal as presented?

At this time representatives from both facilities approached to testify on behalf of the proposed project. Present were: Mr. Andrew Eills, Esq., Ms. Susan Palmer-Terry, Consultant and Ms. Jeanne Sanders, Administrator for Golden View; Ms. Lucy Hodder, Esq., and Mr. Arthur O'Leary, Regional VP Operations for Genesis Healthcare – Laconia.

Attorney Eills made introductory comments and stated that the Joint Proposal best meets the need for 33 beds and best meets the standards and criteria. He then reviewed the history of the RFA and process to date.

Attorney Hodder introduced the benefits of the proposal and reviewed the specifics of each project and also the benefits of the joint proposal:

- Both projects are 'person-centered' care which is endorsed by CMS;
- focused on 'neighborhoods' for long term and short term residents;
- private rooms and baths;
- expansion of clinical capabilities;
- improved access for all residents of the region;
- maintenance of assisted living beds;
- supported by the community; and
- approached collaboratively as per RSA 151-C:1.

Attorney Hodder stated that the proposed projects will serve two (2) additional Medicaid patients at Golden View and one (1) at Laconia Genesis and will not negatively impact the state coffers.

Chair Vailas inquired as to the percentage of Medicaid at each of the facilities. Mr. O'Leary stated that it is 70% at Laconia Genesis. Chair Vailas then asked if 70% of the 12 new beds would be Medicaid and Mr. O'Leary stated that they would be mostly Medicare. Ms. Sanders indicated that GoldenView would likely be the same.

Ms. Sanders presented the site plan, floor plans and benefits of the project on behalf of Golden View Healthcare stating that the existing building was built in the early 1970's and that space is sparse by today's standards.

Ms. Wheeler asked if there were any thoughts to 'green construction' (e.g. geothermal heat) and Ms. Sanders stated that she was not sure if they have the option to plant the wells due to where the building is situated but they are looking at using paints that meet codes and energy efficient windows, doors and appliances.

Mr. O'Leary presented the site plan and floor plans on behalf of Laconia Genesis stating the existing building is very cramped.

Ms. Wheeler asked if the configuration of the existing rooms were changing, and Mr. O'Leary stated that there will be some office space that will become resident space. He also stated they may be able to reconfigure some space in the future and all patients will have access to the new space for rehabilitation, etc. The existing rooms will not be altered.

Ms. Gloria Thorington, Director of Care Management, Lakes Region General Hospital (LRGH) and Manager of Discharge Planning Staff, LRGH and Franklin Regional Hospital (FRH) and Mr. Henry Lipman, Executive Vice President/CEO, LRGHealthcare (LRGH) asked to be recognized by the Board to present testimony. Ms. Thorington stated that she works with staff at both facilities and that distance is an important factor to many patients and their families. She also stated that there are no facilities for some of the more complex conditions available in the community and these projects would alleviate that. The two (2) hospitals she works for had 4,166 patient days for patients that could have been treated in nursing homes if the facilities were available.

Mr. Lipman stated the joint proposal would be cost neutral to the healthcare system with an added benefit to the patient being in the most appropriate setting.

Mr. Chase stated that the costs for Medicare reimbursement are as follows: \$300/day for hospital swing bed services and \$300 or less at nursing homes.

Ms. Almeda stated that for hospitals without swing beds, if the patient exceeds the Medicare payment period, the hospital does not receive any more reimbursement.

Mr. Lipman then testified on the patient mix issue stating that 90% plus are Medicare patients being discharged to the nursing homes. He also said that any incremental cost to the system is worth it for the improvements to the infrastructure.

Ms. Wheeler stated she was concerned about the dramatic increase in costs associated with the joint proposal and asked the applicants how secure they were in being able to afford the project. Ms. Sanders stated that the Golden View board reviewed the project carefully and is comfortable with the affordability of the project. Ms. Wheeler then asked how the money would be obtained (e.g. private fundraising?) and Ms. Sanders stated that they would be borrowing the money.

Mr. Chase asked Ms. Sanders how many assisted living beds Golden View had and if they see people moving between those beds and the nursing beds. Ms. Sanders replied that there are 22 assisted living beds and they frequently see patients moving back and forth.

The hearing was closed at 11:52 a.m. and Board discussion followed.

Mr. Chase stated there has been a dramatic change in the level of care over the years and all new proposals reflect the new settings for care. As to the funding issue, the State has never reimbursed the full cost of care and right now it is at 80% of cost. The State budget is driven by what it can afford to pay, not the costs of the facilities. This project may cause some reallocation of funds but won't increase the State budget. He also pointed out that Golden View's original proposal took 22 assisted living beds offline and this is a 'hidden cost'. Many patients are willing to step down to assisted living if it is in the same facility and this would generate a cost savings.

Mr. Chase also addressed Representative Kurk's Medicaid restriction request and said it is not fair to impose this condition now.

Dr. Sochalski addressed the Board on behalf of the Department of Health and Human Services stating the Department believes the proposal is illegal and questions why there was only a need for 6 FTEs for the original 33 beds and there is now a need for 47 FTEs for those same beds at eight (8) times the cost. He stated the Board correctly and legally granted the CON to Golden View on 9/20/07 and there is a need to balance collaboration with cost but asked if it was worth \$8 million. Dr. Sochalski stated that this will affect other nursing homes in the State. He stated the Department feels that the questions on page five (5) of the executive summary should all be answered No and does not believe RSA 151-C provides the authority to approve this proposal.

Ms. Almeda stated that some of the difference in the FTEs was due to the re-use of the FTEs from the assisted living unit to the new beds. She also stated she was perplexed by the State saying they don't need more nursing beds but supporting a project taking assisted living beds out of the system, and that she is pleased that the proposal keeps the assisted living beds in the picture.

Ms. Wheeler stated she supported Golden View's original proposal and opposed the reconsideration, but she likes Golden View's new proposal. She is concerned about overall affordability to the residents of the State. However, she is not sure how private payors will be affected and what other costs are incurred to the system.

Attorney Hodder stated that the standard is not cost but affordability. Each center is paying for its own construction and the impact on the State is a net gain because of the provider tax. There are hidden savings to the system when patients are in the appropriate level of care.

Ms. Wheeler asked if it would cost more to have private units with private baths and Mr. O'Leary said it will be more efficient. New construction will create more Medicare patients and less Medicaid, which will increase reimbursement to the facility.

A discussion ensued on cost, efficiency, patient care, etc.

Ms. Sanders stated that they want patients in the proper settings for the care they need. Private rates are governed by the market and there will be minimal effect on Medicaid.

Chair Vailas raised the subject of Representative Kurk's concern that there could be an influx of Medicaid clientele. Mr. Chase stated that if 1,000 people showed up on the Medicaid rolls, there would be no increase in cost to the State. The State would adjust rates and lower the rates and all other providers would make up the cost.

Attorney Hodder stated that the Legislature allowed the moratorium to lapse and the new proposal won't impact the State any more than the originally approved CON. The beds are not geared toward Medicaid patients but need to be available to meet the need when necessary.

Mr. O'Leary stated the project will save the facility from becoming an 'all Medicaid' facility which would cost the State more.

Ms. Wheeler stated she did not think the Board can cap the number of Medicaid beds since it is not within the statute.

Mr. Chase then made a motion as follows:

Based on the information supplied in the Joint Proposal, a CON be awarded to Golden View, LTC 07-01, for 21 beds to be located in Meredith NH at a cost of \$4,899,466 and to Laconia Genesis, LTC 07-03, for 12 beds to be located in Laconia NH at a cost of \$2,975,000.

Ms. Almeda seconded the motion. Dr. Sochalski voted against the motion. On a split vote of five (5) members to one (1) the motion passed and two (2) CON's were granted.

Mr. Wojtkiewicz rejoined the meeting at this time.

7. Other Administrative Business

- ❑ Ms. Carrier stated that key staff will be unavailable for the scheduled August 21, 2008 Board Meeting and suggested that the Board not meet in August and hold an early September meeting instead. The Board decided that the next meeting will take place on September 11, 2008.
- ❑ The Practice and Procedure Subcommittee will next meet on September 2, 2008, 10am, Room 312, DHHS, Concord, NH.
- ❑ Ms. Carrier asked that the Long-Term Care Subcommittee pick a next meeting date; key material has been received and is ready for distribution. The Board decided to

hold the next Long-Term Care subcommittee after the September 11, 2008 Board meeting.

Chair Vailas recognized a motion made by Mr. Chase to adjourn the meeting. Ms. Almeda seconded the motion. All Board members voted in favor; thus Chair Vailas adjourned the meeting at approximately 12:30 p.m.

Signature:

Nicholas Vailas
HSPR Board Chair

Approved by
HSPR Board:

Date